

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6546

BILL NUMBER: HB 1063

NOTE PREPARED: Dec 28, 2014

BILL AMENDED:

SUBJECT: Dental and Optometry Service Coverage.

FIRST AUTHOR: Rep. Bacon

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: X GENERAL
DEDICATED
FEDERAL

IMPACT: State

Summary of Legislation: This bill prohibits dental and vision insurers and health maintenance organizations from requiring dentists and optometrists to accept certain payments unless the health care services are covered services. The bill prohibits dentists and optometrists from charging for noncovered services an amount that exceeds the usual and customary charges for the services.

Effective Date: July 1, 2015.

Explanation of State Expenditures: *Summary:* This bill could increase the workload of the Indiana Department of Insurance (DOI), the Office of the Attorney General, the Indiana Optometrist Board, and the State Board of Dentistry to make certain that insurers, health maintenance organizations, optometrists, and dentists do not violate the provisions of the bill. Increases in workload are expected to be small.

Additional Information: If an insurer is suspected of requiring providers to violate provisions of the bill as a condition of joining a provider network, a complaint can be filed with the DOI. The DOI would investigate insurers for committing unfair and deceptive acts.

Additionally, the bill could impact dentists and optometrists who elect to charge insureds amounts in excess of customary charges for noncovered services. To the extent this occurs, the workload of the Office of the Attorney General and either the Indiana Optometrist Board or State Board of Dentistry could increase to investigate providers.

Explanation of State Revenues: *Summary:* This bill could increase state General Fund revenue from penalties assessed against (1) insurers for unfair and deceptive acts and (2) optometrists and dentists who charge insureds a greater amount than usual and customary charges for noncovered services. Actual increases in state General Fund revenue is unknown but expected to be small.

Additional Information: If this bill increases the number of unfair and deceptive acts discovered by the DOI, revenue to the state General Fund will increase from civil penalties paid by violators. The penalty for engaging in an unfair and deceptive act is one or more of the following: (1) a civil penalty between \$25,000 and \$50,000 for each act or violation and (2) revocation of a person's license or certificate of authority if they knowingly engaged in an unfair or deceptive act.

Optometrists and dentists who are found by their respective licensing board to have charged more than the customary amount for noncovered services could be subject to fines. Revenue collected from these fines would be deposited in the state General Fund.

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: DOI, PLA, Indiana Optometrist Board, State Board of Dentistry.

Local Agencies Affected:

Information Sources:

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